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Webb, Sidney

How the government can
prevent unemployment

London

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The National Committee for the Prevention of Destitution.

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How THE GOVERNMENT CAN PREVENT UNEMPLOYMENT

BY

SIDNEY WEBB.

PRINTED FOR

THE NATIONAL COMMITTEE FOR THE
PREVENTION OF DESTITUTION,
37, NORFOLK STREET, STRAND, LONDON,

1912

Price One Penny.

The National Committee for the Prevention of Destitution.

Office :

37, NORFOLK STREET, STRAND, LONDON.

President :

THE RT. REV. THE LORD BISHOP OF BIRMINGHAM.
Late Chairman of the Central (Unemployed) Body for London.

Treasurer :

MR. T. HAMILTON FOX.

Hon. Secretary :

MRS. SIDNEY WEBB, D.Litt.

THE NATIONAL COMMITTEE FOR THE PREVENTION OF DESTITUTION has been formed for the purpose of drawing together all those who (without committing themselves to details) desire to see the existing Poor Law dealt with generally on the lines laid down in the Minority Report of the Poor Law Commission. That Report recommended the taking out of the Poor Law of the several classes now dealt with as paupers, and the transfer of the responsibility for these classes to the authorities dealing with the *causes* of destitution—the children to the Local Education Authority, the sick and infirm to the Local Health Authority, the feeble-minded and mentally defective to the Local Lunacy Authority, and the pensionable aged to the Local Pension Authority. These four authorities already exist, as committees of County and County Borough Councils. For all varieties of the able-bodied and unemployed, a new national authority is recommended.

The sole work of the National Committee is the education of public opinion on the question, irrespective of political, religious, or social differences. It includes men and women of the most diverse opinions, who are united only for this one object.

If you are willing to support the National Committee by (a) becoming a member without subscribing to the funds, (b) becoming a contributing member (amount optional), or (c) becoming a subscriber without committing yourself to membership, you are requested to communicate with the Hon. Secretary at the above address.

How the Government can Prevent Unemployment.

WHAT we complain of is that Government has done nothing to prevent *Unemployment from happening*. A little has been done—far too little—to try to find a job for the man when he has become unemployed, or to relieve him in one way or another. But the real evil lies in the willing worker *being discharged* owing to slackness of trade. Government has so far done nothing, and tried nothing, to prevent this Unemployment through slackness of trade from taking place.

Government, in this matter, is like the gentry in a country village where fever used to be very bad every year. The squire, and the parson, and the squire's daughters were very kind to the poor people who had fever. They showed them how to pay their pennies week by week to a sick club. To those who could not afford this, or who ran out of benefit, they gave food and physic. They fussed about the doctoring and the nursing, and they sent some away to other places, and they gave others Old Age Pensions, and they helped to pay for the burying of those who died. But they did nothing to prevent the fever from happening. They would not build healthy cottages nor enough cottages of any sort; they would not drain the village, or lay down pipes to bring pure water from the hills. And so year after year, in spite of all the kindness and the charity, the people had fever.

Is it not much better to prevent the fever from happening than to let it happen, and then be kind and charitable to those who are ill?

The discharge of men through slackness of trade is like the fever.

When you have been thrown out of work, Government, by means of the Labour Exchanges, tries to find you a new job. If you belong to a good trade, and if you have paid in several pence a week whilst you were in work, Government or your Trade Union will give you seven shillings a week as "Out of Work Pay." If you are not "insured" in this way, the Town Council or the Distress Committee may give you a few days on "Relief Work." Or the Poor Law Guardians will offer you the Workhouse. One way or another there is relief for the Unemployed—just as there was for the fever. But nobody will take the trouble to *prevent the Unemployment from happening*.

We know now that there is no need for workmen to be "out of work" even in bad times—just as there was no need for the village to have fever. Unemployment can be prevented from occurring, in the same sort of way, and probably to the same extent, as Typhus Fever and Cholera have been prevented from occurring. If thousands of men are still thrown out of work through no fault of their own, it is because the Members of Parliament and the Government have not chosen to prevent it.

Remember, the Government knows how to prevent the discharge of large masses of men simply through slackness of trade from taking place. But the ordinary Member of Parliament, who has never himself suffered from having his means of livelihood stopped by being "out of work," is not interested in the question of preventing Unemployment. He talks about "Home Rule," or the Welsh Church, or the Liquor Traffic, or Foreign Affairs, or "Free Trade," or "taxing the foreigner," but he never says anything about making the Government take the steps that are necessary to prevent the occurrence of Unemployment. In fact, the ordinary Member of Parliament does not know how it can be done. He, poor man, is so ignorant that he really believes that Unemployment cannot be prevented from happening.

And, unfortunately, the people don't ask the Members of Parliament or the Government to prevent the occurrence of Unemployment. When trade is good, and men are earning good money, they won't trouble to think about Unemployment. And when bad times come, either to a whole district, or to a particular trade or to an individual workman,

then what people clamour for is something to relieve the Unemployed. But the best possible relief of the Unemployed will not prevent fresh Unemployment from happening.

Don't you think it is time that the people insisted on this question being taken up by the Government? *Unemployment must be prevented.*

HOW THE GOVERNMENT CAN PREVENT UNEMPLOYMENT FROM HAPPENING.

Now, there is no single plan or scheme by which all kinds of Unemployment can be at all times prevented. If we can make the Government do its duty, and begin to prevent Unemployment from happening, Government will have to do a number of separate things, some very simple and easy, and some a little difficult and troublesome. It can't be done all at once by any one Act of Parliament. And it won't be done without the workers themselves taking the trouble to think about it.

If you look at the men who have lost their jobs, and are "Unemployed," you will find that they are of four different kinds.

There are first the men of long jobs, who are sometimes many years in one place; such as the engine-driver, the cotton-spinner, the farm labourer, the carman, or the domestic servant. If they lose their places without fault of their own, it is usually because "trade is slack"—because the employer has not got enough work for them. What these men want is something that will make the total amount of employment regular from month to month, and from year to year. Then they would never lose their jobs.

But there are also the men of short jobs—workmen who must shift from job to job, and often from one employer to another, because each particular job comes to an end. Such men are all those in the building trades and also the contractor's navvies. When the house or the ground work is finished they must move to another. What these men want is something to shorten the "lost time" between jobs, something to prevent a "slump" in the building trade, and something to do away with the uncertainty and the risk of not finding another job.

Then there are the men who are never in the way of earning a full week's wage: the "Casuals" at dock and wharf labouring, or the "spare hands," at all sorts of trades, who never get more than a few hours' work at a time, and who never know in the morning where they will get work that day. What these men want is some system by which their whole time could be filled up, by one casual job after another, so that they can earn each week a full week's money.

Finally, there are the men whom the employers won't engage; the men who are too much broken down by illness or premature old age; the men who have drifted into becoming regular tramps or loafers; and all the poor "wasters" who hang about the "shelters" and casual wards. These men ought never to have been allowed to get into such a state. What is needed here is some plan to save other men from sinking down to their level; and some arrangement by which we can make the best out of those who are down, and provide properly for them.

The Government can do all these things, if the people will only ask for them, and if the electors will only compel their Members of Parliament to insist on their being done. What, then, ought the Government to do? It ought first to ensure

THE REGULARISATION OF WORK.

The biggest cause of Unemployment at present is not any shortage of work, but the irregularity in the total amount of work required to be done. One year there are lots of orders, the mills are running full time, new factories are put up, new mines are opened, more and more ships and houses are built, every possible man is taken on, the utmost possible overtime is worked, and everybody is at full strain. Presently there comes a check, the orders fall off, the mills and mines and shipbuilding yards go on short time, no more new houses are begun, and presently thousands of men lose their jobs, and are walking about idle, with no money coming in.

There is no need for any such irregularity in the total volume of employment. It is true that Government cannot prevent the ups and downs of foreign trade, nor yet the variations in the demand of private customers. But the Government can, if it chooses, use its own power over the

labour market in such a way as to make the total amount of employment, the total number of men employed, and the total amount of wages paid fairly regularly year by year. Government is itself the largest of all employers of labour, the greatest of all buyers of goods, the giver of the most varied orders. At present Government gives its orders for goods and employs labour, *without thinking what is the effect on the labour market*. It thus intensifies the pressure in times of good trade, and greatly increases the amount of overtime that is worked. And when bad times come, Government does nothing to keep up the demand for labour.

Now it is calculated that if all the different departments of Government arranged their orders, and their purchases, and the jobs they put in hand, in such a way as to get (except what was urgent) *the greater part of the Government work done in the slack years*, the result would be to stop the overtime and most of the pressure and the strain of the busy years, and to prevent any large number of men from being discharged in the slack years. The amount of the Government orders and purchases and employment is large enough, if it were properly distributed, *to keep the total demand for labour throughout the whole country fairly equal*, in good years and bad years alike. Moreover, there is all the work of Afforestation, and the other expenditure of the Development Fund, which is expressly designed to steady the labour market in this way. And it is not only the men who work on the Government orders who would thus be saved from Unemployment. At present, when any big industry is slack, every other industry feels the effect of its slackness. For instance, nothing seems further apart than shipbuilding and the making of gramophones. But when the shipyards are idle, there are fewer gramophones bought; and the men employed in the gramophone factory at the other end of England lose their jobs merely because the shipyard workers have lost theirs. If the total expenditure on wages is kept up, there will continue to be just as many gramophones and other things ordered, and every trade will find itself kept as busy each year as any other year. Yet though this is quite plain and certain, the Government has so far refused to do anything at all to regulate the total demand for labour.

But the Government must deal also with

SEASONAL SLACKNESS.

For, as we all know, there is in nearly all trades some seasonal slackness—even in good years. Some trades suffer terribly from pressure and strain and overtime, just at one period of the year. Then comes the "slack season," and thousands of workers are discharged.

Each industry has its own slack season. But the slack seasons in different industries occur at different times of the year. When the building trades are at their dulllest, the gas-works are at their busiest. There is no month in which some trades are not exceedingly busy; just as there is no month in which some others are not at their slackest. There is no slack season for the kingdom as a whole. We now know that, taking all trades and places together—not merely the small fraction included in the Labour Department's returns of Unemployed—there is pretty much the same amount of demand for labour all the year round. All that is necessary is to bring together the workers and the work. Of course, a cabinetmaker cannot fill up his slack season by working at engineering, but two-thirds of all the work of the nation is done either by general labourers, or else by men and women of little specialised skill that the job can be learned in a few days. So far as these workers are concerned, Unemployment through seasonal slackness is due only to the failure of the Government to make the necessary arrangements. With regard to general labourers and unspecialised workers, who make up two-thirds of the whole working population, the Labour Exchanges are already beginning to supply the demands of industries in their busy seasons from the workers elsewhere suffering from seasonal slackness. This needs only complete organisation by the Government, so that all employers are compelled to use the Labour Exchange, to make Unemployment through seasonal slackness, on any large scale, a thing of the past, so far as all the general labourers and unspecialised workers are concerned.

The regularisation of the total demand for labour year by year, and the "dovetailing" of unskilled occupations in the seasonal trades, would, in themselves, prevent the greater part of the Unemployment that now occurs. But this would still leave us face to face with the constant "Under-employ-

ment" of the casual labourer, who never gets a full week's work.

HOW TO PREVENT "UNDER-EMPLOYMENT."

How can this terrible "Under-employment" be prevented? Government now knows how it can be done. Its own Board of Trade will tell the Cabinet any day how it can be done. Government can, if it chooses, so organise the labour market for casual employment that every casual worker who is employed at all will secure at least four or five days full work for every week in the year. This can be done by concentrating all the taking on of casual men at one centre for each town (or at a very few centres for all the London or Liverpool docks and wharves): by confining all the jobs to the present lot of men (who would be given metal tallies to prove that they had a right to the work); and by taking care to fill up each man's week with successive jobs, before calling in any other man. To secure the dock labourer steady work all the year round, it is only necessary for the Government to take up the task.

But there is one difficulty which must be faced. It is not possible for the Government to secure steady employment for the casual workers, without squeezing out, once for all, some of the men. To suit their own purposes the employers keep too many men hanging about, so that there are not enough casual jobs to go round. *These men must be provided for before any of them are squeezed out.* Moreover, there will be other men and women left over when the seasonal trades are "dovetailed," so as to get rid of seasonal slackness. Can the Government do anything to secure employment for these men and women, who cannot themselves be found work at their old occupations, and who have to be sacrificed in order to secure constant work for the others?

The answer is Yes. There are three ways by which room can be made for at least as many workers as would be squeezed out. First, there is the legal

REDUCTION OF THE HOURS OF LABOUR

on railways and tramways and omnibuses, and among shop assistants and others, wherever the men are now kept at work for seventy or eighty hours in a week. Then there is the

HALVING OF BOY LABOUR

(and of girl labour also) by insisting that no employer shall be allowed to employ a boy or girl under 18 for more than thirty hours a week, so that these boys and girls may put in attendance at proper Trade Schools or Technical Institutes for the rest of their time. And thirdly, there is

PROPER PROVISION FOR WIDOWS.

with young children, so that they can keep their children without having themselves to go out to work, as the Poor Law Authorities now drive them to do, to the neglect of the homes. If these measures were carried out step by step with the process of "decasualisation," places could be found for all those whom the Labour Exchange would find on its hands as the result of the "decasualisation." This solves the temporary problem, and removes the last excuse for not taking action at once.

Thus, it is quite clear that if the Government only does its plain duty there need not be, on any large scale, any more Unemployment or Under-employment through slackness of trade or competition for casual jobs. But we need not claim too much. When everything possible has been done to prevent Unemployment in the aggregate—when none of the men of long jobs need fear discharge through slackness of trade, and none of the labourers need be idle through seasonal slackness—there will still be, in one trade or another, short, temporary periods of slackness, too brief and too accidental to warrant the skilled artisan in moving his household to another town, still less in changing his occupation. For these, and for all other short and casual stoppages, by far the best form of provision is Trade Union Insurance. Unfortunately, so disorganised is our industry that only one-fifth of the wage-earners are in Trade Unions, and only one-third of that number (thus, only one-fifteenth of the whole), are at present able to provide out-of-work benefit. Now Government has made Insurance against Unemployment compulsory in the Building, Engineering, Shipbuilding, and Coachbuilding Trades, and has offered money to all the other Trade Unions to help them to develop their own out-of-work benefits. So far as the skilled trades are concerned, the

insured workmen will be pretty well protected. But there are some for whom provision must be made at all times, the odds and ends of men who drop out, from this trade or that, for this reason or that—we need not inquire why, for they cannot be allowed to starve, and it is the worst of all policies to let them be demoralised by idleness or brutalised by the Poor Law. The Government must be compelled to make proper provision for all these men. For these, and indeed for all men who are Under-employed or in distress from whatever cause, there should stand always open the Minister of Labour's Training Establishments, day or residential. Are you unemployed and in want? If we cannot at once find you employment, come in and let us see what we can do to make you fit. At any rate you are quite sure to be "out of condition" physically, and to need training and regular food. But there are lots of other things we can do for you whilst the Labour Exchange is finding you a situation. We can improve you in your own trade if you have a trade, and turn you out a more accomplished craftsman; if you have not a trade at your finger-ends, we can at any rate give you the practical labourers' knowledge of the common tools and the simple machines; we can teach you how to cultivate successfully your own garden when more prosperous times come; we can show you how to draw a plan, how to work to scale, how to make a sketch of your work, how to do your own workshop calculations; for that matter, even teach you how and where to learn all that you want to know. All this the Minister of Labour could do for a man (or a woman), who would meanwhile be getting full maintenance whilst under training, until a situation could be found. Thus, instead of being (as at present) deteriorated by every spell of bad trade and by the idleness of Unemployment, or demoralised by the casual jobs of sham employment at one or other of the forms of "navvying" that we call Relief Works, the man (or woman) for whom, in spite of all our efforts, no situation could be found, would be positively benefited in body and mind by the spell of training, under absolutely healthy conditions, with a perfect diet and regular hours, absorbing the whole day in organised varied work and recreation, for which the Unemployment had given the chance. But no one need undergo the training unless he liked. He would always have

the alternative, by means of Trade Union Insurance, of drawing out-of-work pay.

Doubtless some would be found incapable of any improvement: unemployable through physical defects, unemployable owing to epilepsy, unemployable through feeble-mindedness, unemployable by reason of premature old age. For these the community has to provide, honourably and generously, in whatever way is appropriate to their state. For the most costly and the most extravagant way to deal with them is to let them compete in the labour market and pull down by their own competition the standard rates of those who are able-bodied and efficient.

HOW TO DEAL WITH THE "WON'T WORKS."

Finally, there are the odds and ends of men who have lost their ability to put in a fair day's work with any regularity—the shirkers, the regular tramps, the "won't works" of all sorts. These men now use the casual wards, and get occasionally put in prison (which does them no good). It is of no use sending such men to gaol. What they need is not prison, but a term at a place of real training under discipline, where we might try both to strengthen their muscles and bring them to a better state of mind.

HOW TO GET THESE THINGS DONE.

It is useless to know how Unemployment can be prevented unless we take steps to get it done. You must bring up the question at your Trade Union meetings. You must get resolutions passed asking Parliament and the Government to take prompt action in the matter. You must "heckle" your own Member of Parliament about it. And above all, you ought to refuse to vote for any candidate for Parliament, whatever "party" he belongs to, who does not pledge himself—not merely to relieve the Unemployed—but also to secure the actual

PREVENTION OF UNEMPLOYMENT.

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